**To: ETUC Secretary general Luca Visentini**

**Copy to: Sergejus Glovackas, ILO**

To Mr. Saulius Skvernelis, Prime Minister The original will not be sent over

of the Republic of Lithuania 26/03/2020 No 10- 039

To members of the Tripartite Council

 of the Republic of Lithuania To 24/03/2020 No. S 75

**ON THE COMMON POSITION OF THE EMPLOYERS‘ ORGANIZATIONS PARTICIPATING IN THE TRIPARTITE COUNCIL OF THE REPUBLIC OF LITHUANIA ON THE APPLICATION OF THE LABOR CODE DURING THE QUARANTINE PERIOD**

Members of the Coordinating Council of the Lithuanian Trade Union  "**Solidarumas**", having acquainted themselves with of the proposals submitted by the employers' organizations regarding the application of the Labor Code during the quarantine period, **do not accept the proposals of the employers** as they will significantly reduce the social guarantees for employees. We do not support the idea of increasing working time, as this will be detrimental to the health and safety of workers at work and increase unemployment rate. We do not support employee lay-offs without paying them severance packages. Such drastic proposals will only contribute to further encouraging our people to leave Lithuania at a time when there is already a shortage of staff.

The Coordination Council of the Trade Union "**Solidarumas**" believes that given the uncertain times of today, which pose challenges not only for business but also for employees, any changes in the regulation of labor relations will result in employee frustration and turmoil. The proposals submitted by employers' representatives during this demanding period, when the safety and life of every Lithuanian citizen is at stake, will only lower the confidence level in employers and their representatives, as well as in government decisions.

We are long-standing social partners, having valuable experience and committed to enhancing the culture of social dialogue to the standards of developed European countries. We do understand that such proposals as extending the working week to 48 hours not only provoke heated discussions, but are also incompatible with international law. (e.g., Article 6 (b) of **Directive 2003/88/EC of the European Parliament and of the Council of 4 November 2003 concerning certain aspects of the organisation of working time).**

As the highest governing body, the Coordination Council of the Trade Union  "Solidaruma**s**" believes that a joint compromise between all social partners must be sought. Needless to say, both time and a more stable situation are required to reach that goal, even if this leads to the withdrawal of some

businesses from the market over time. Furthermore, this goal cannot be achieved without the proper position taken by the Government and, naturally, without an open and honest debate, which should be aimed at genuinely preserving the country‘s economy and protecting human rights, social and economic interests, rather than increasing the profit of some companies.

It should be noted that the Government of Lithuania has promptly responded to business problems. Currently, the measures endorsed by the Government are as follows:

On 17 March 2020, the Seimas of the Republic of Lithuania adopted Amendments to the Labor Code, which eased the burden on employers by allowing partial compensation of employees' wages during the downtime up to 90%. This measure is undoubtedly intended to support business (designed as part of the business support plan) as well, since the employee labour costs represent a significant part of the costs of companies.

In order to further maintain the liquidity of the business, the Government has introduced a number of measures, aimed at: (i) granting tax loans to the business as soon as possible by deferring or spreading tax paymentss on an agreed schedule, with a no interest offer; (ii) suspending the recovery of tax arrears; (iii) exempting taxpayers from fines on overdue taxes; (iv) providing the possibility of deferring or spreading out the payment of the personal income tax arrears; (v) increasing the guarantee limit of of the Agricultural Loan Guarantee Fund and Invega by EUR 500 million, extending the terms of the guarantee; (vi) compensate from 50% to 100% the amount of interest actually paid in the case of small and medium-sized enterprises; vii) recommending that municipalities exempt taxpayers from taxes on commercial real estate and land.

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